

Act (1995:1339) on the double taxation treaty between Sweden and Ukraine

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1 § The agreement to avoid double taxation and prevent fiscal evasion with respect to taxes on income as Sweden and Ukraine signed, on 14 August 1995, together with the Protocol annexed thereto and forming part thereof, apply as law in this country. The contract is written in Swedish, Ukrainian and English. The Swedish and the English text in an appendix to this Act.

2 § Agreement taxation rules apply only to the extent that these entail reduction of the charge in Sweden that would otherwise exist.

3 § Repealed by *Act (2011:1374)* .

Transitional provisions

1995:1339

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

2nd This Act shall apply to income derived on January 1 of the year following the year in which the Agreement enters into force.

third The following regulations shall no longer apply with respect to the relationship between Sweden and Ukraine, namely

- the Act (1982:708) on the double taxation treaty between Sweden and the Soviet Union

- Proclamation (1971:130) on the application of the protocol between Sweden and the Soviet Union on mutual exemption of aviation companies and their employees

- Proclamation (1973:563) on the application of protocol between Sweden and the Soviet Union concerning reciprocal exemption of shipping companies.

The listed statutes shall continue to apply

- a) on income derived before 1 January the year after the law comes into force, and
- b) in respect of taxes on capital, for taxes imposed during taxation year after the law took effect or at previous tax year.

Annex

AGREEMENT BETWEEN SWEDEN AND UKRAINE FOR To avoid DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

Sweden and Ukraine, desiring to conclude an agreement to avoid double taxation and prevent fiscal evasion with respect to taxes on income, have agreed as follows:

Article 1

Persons to whom this Agreement applies

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

Arikel 2

Taxes covered by the Agreement

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

2nd With taxes on income all taxes imposed on total income or on elements of income, including taxes on gains from the alienation of movable or immovable property, taxes on the total wages paid by businesses as well as taxes on capital appreciation.

3rd The taxes to which this Convention shall apply are:

a) in Ukraine:

1) tax on profits (income) from business (podatok na pributok (dokhody) pidpriemstv),

2) the income tax on citizens (pributkovy podatok z gromadyan) (Hereinafter referred to as "ukranisk tax")

b) in Sweden:

- 1) the state income tax, the sailors' tax and coupon tax included,
- 2) the income tax on non-residents,
- 3) the income tax on non-resident artists and others and
- 4) the tax

(Hereinafter referred to as "Swedish tax").

4th The Agreement shall also apply to new taxes on income and on capital imposed after the signing of this contract is introduced in a Contracting State. The competent authorities of the Contracting States shall by mutual agreement determine whether a tax is introduced in one of the Contracting States are tax such as the Agreement shall apply in accordance with what is stated in the previous sentence.

5th The Agreement shall also apply to any identical or substantially similar taxes imposed after the date of signature of this Agreement in addition to, or in place of, the taxes referred to in paragraph 3. Competent authorities of the Contracting States shall notify each other of important changes which have been in their respective taxation laws.

6. The provisions of the agreement do not apply to penalty fees, paid for the transgression of the tax laws of a Contracting State.

Article 3

General Definitions

1. Unless the context otherwise requires, the purposes of this Agreement, the following terms as defined below:

- a) "Ukraine" includes, when uttrycket used in a geographical sense, the territorial sea and any area outside territoalvattnet in conformity with international law has been or will hereafter be explained as an area in which Ukraine may exercise rights with respect to the seabed and subsoil and the natural resources ;
- b) the term "Sweden" means the Kingdom of Sweden, and, when used in a geographical sense, means the territory of Sweden, the Swedish territorial sea and other maritime areas over which Sweden in accordance with international law, exercised sovereign rights or jurisdiction;
- c) the terms "a Contracting State" and "the other Contracting State" mean the Ukraine or Sweden, as the context requires;
- d) "person" includes "an individual, a company and any other body of persons;
- e) "company" means any body corporate or any entity which is treated as a legal person;
- 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 "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;

h) "national" means:

- 1) any individual possessing the nationality of a Contracting State,
- 2) any legal person, partnership or association incorporated under the laws in force in a Contracting State;

i) the term "competent authority" means:

- 1) In the Ukraine, the Minister of Finance or his befullmäktige agent,
- 2) in Sweden, the Minister of Finance, his authorized representative or the authority which is designated as a competent authority for the purposes of this Agreement.

2nd Where a Contracting State applies the Agreement shall, unless the context otherwise requires, any term not defined therein shall have the meaning which it has under the law of that State concerning the taxes to which the Convention applies.

Article 4

Resident

1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who under the law of that State, is liable to tax therein by reason of his domicile, residence, place of management, place of its registration or other similar circumstances, subject to

- a) the term does not include the person who is liable to tax in that State in respect only of income from sources in that State; and
- b) in respect of partnerships and estates this term such person only to the extent that the income is subject to tax in that State in the same manner as the income of a resident, either in hands or with its shareholders.

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

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

third 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 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 through which an enterprise is wholly or partly carried on.

2nd The term "permanent establishment" includes especially:

- a) a place of management,
- b) branch,
- c) an office,
- d) a factory,
- e) a workshop,
- f) business premises or other premises used as a sales outlet,
- g) a permanent installation or structure used for the exploration of natural resources,
- h) a mine, oil or gas well, a quarry or any other place of extraction of natural resources.

third A building site, a construction, assembly or installation project or activity which consists of monitoring in connection therewith constitutes a permanent establishment only if it lasts for a period not exceeding twelve months.

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

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

5th If a person - other than an independent status to whom paragraph 6 applies - is acting for a company and of a Contracting State has, and habitually exercises an authority to conclude contracts in the name, this is regarded companies -

Notwithstanding the provisions of paragraphs 1 and 2 - have a permanent establishment in that State in respect of any activities which that person undertakes for

the enterprise. This does not apply if the activities of such person are limited to those mentioned in paragraph 4 which - if exercised through a fixed place of business - would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

6. Companies are considered to have a permanent establishment in a Contracting State merely because it carries on business in that State through a broker, general commission agent or any other agent of independent status, provided that such persons are acting in the ordinary course of business.

7. the fact that a company 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 annant way), does not in and of itself constitute either company a permanent establishment of the other.

Article 6

Income from immovable property

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

2. Uttrycket "immovable property" shall have the meaning which it has ennligt law of the avallsslutande state where the property is located. The term includes accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting egenom apply, buildings, usufruct of immovable property and to correct for variable or fixed payments for the use of all the right to work mineral deposits, sources and other natural resources. Ships, boats and aircraft shall not be immovable

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

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

Article 7

Profits

1. The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business or has carried on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business or has carried 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 or has carried on business in the other Contracting State through a permanent establishment situated therein, provision, unless the provisions of paragraph 3 to the contrary, in each Contracting State to that permanent establishment the profits which it might be assumed that 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 In determining the profits of a permanent establishment shall be allowed as deductions expenses which are incurred for the permanent establishment, including costs for executive and general administrative expenses, whether incurred in the State in which the permanent establishment is situated or elsewhere. Deductions are allowed, however, for amounts that permanent establishment may have paid to company headquarters or other merchandise belonging office (otherwise than towards reimbursement of actual expenses) by way of royalties, fees or other similar payments for the use of patents or other rights, or by way of commission for specific services performed or for management, or - except in the case of banking companies - in the form of interest on moneys lent to the permanent establishment.

4th To the extent that income attributable to the permanent establishment has been customary in a Contracting State shall be determined on the basis of an apportionment of the company's total profits of the various parts, nothing in paragraph 2 shall preclude that Contracting State from the taxable income is determined by such a procedure. The method of apportionment adopted shall, however, be such that the result is consistent with the principles in this article.

5th Profits shall be attributed to a permanent establishment by reason of the goods purchase by that permanent establishment or merchandise for the enterprise.

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

7. Included in capital operating income or capital gains which are dealt with separately in other Articles of this Convention, then the provisions of those articles of the rules in this article.

Article 8

Sea and air transport

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

2nd For the purpose of this article is included in the income derived from the operation of ships or aircraft in international traffic:

a) income derived from the rental of unmanned ships or aircraft; and

b) income derived from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers) used for the transport of goods or merchandise;

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

third The provisions of paragraphs 1 and 2 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

4th When companies from different countries have agreed to conduct international aviation consortium, the provisions of paragraphs 1, 2 and 3 in respect of income earned by the air transport consortium in respect only of that part of the profits as corresponds to the participation held in that consortium of companies resident in a Contracting State.

Article 9

Associated enterprises

1. Where

a) an enterprise of a Contracting State participates directly or indirectly in the management or control 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 imposed conditions which differ from those which would be made between wander independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions , have not so accrued, may be included in that enterprise and taxed accordingly.

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

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 if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed:

a) 5 percent of the gross dividends if the beneficial owner of the dividends is a company (other than a partnership) which holds directly at least 20 percent of the company making the payment,

b) 10 per cent of the gross amount of other cases.

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

third Such dividends shall - notwithstanding the provisions of paragraph 2 - taxable only in the Contracting State of which the beneficial owner of the dividends is a resident if it is a company (other than a partnership) which holds directly at least 25 percent of the company paying the total voting power and if at least 50 percent of the voting power of the Company who is entitled to the investigation held by entities resident in that Contracting State.

4th The term "dividends" as used in this Article means income from shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights in a company, which under the laws of the State in which the distributing company is resident for tax purposes is treated in the same way as income from shares.

5th The provisions of paragraphs 1, 2 and 3 shall not apply if the beneficial owner of the dividends is a resident of a Contracting State, carries on business or has carried on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated or performs independent personal services or has performed independent personal services or has performed independent personal services in that other State through a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14.

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

Article 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 laws of that State, but if the recipient is the beneficial owner of the interest the tax so charged shall not exceed 10 per cent of the gross amount.

third a) Notwithstanding the provisions of paragraph 2 of this Article, interest arising in a Contracting State when the person entitled to the interest is, or when the loan for which the interest is paid, guaranteed or insured by, the Government of the other Contracting State or any political subdivision or a local authority or any of its agencies, exempt from tax in the first-mentioned State.

b) Notwithstanding the provisions of Article 7 of this Agreement and paragraph 2 of this Article, interest arising in a Contracting State when the beneficial owner of the interest is a resident of the other Contracting State shall be exempt from tax in the first-mentioned State; provided that the interest is paid in respect of loans granted, guaranteed or insured by an agency with such power for the other's behalf.

4th Notwithstanding the provisions of paragraph 2, interest arising in a Contracting State shall be taxable only in the other Contracting State when the recipient is a company which is a resident of that other State who has the interest and the interest is paid with anledning av debt incurred by that company's sale on credit of goods or industrial, commercial or scientific equipment to a company in the first-mentioned State except in cases where the sale takes place between related or claim arising between related persons.

5th The term "interest" as used in this Article means income from any kind of claim, whether secured by mortgage on immovable property or not, and either carrying a right to participate in the debtor or not. In particular, income from securities issued by the state, and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. Penalty charges for late payment is not considered as interest for the purposes of this article.

6. The provisions of paragraphs 1, 2, 3 a) and 4 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business or has carried on business in the other Contracting State and carried on business in the other Contracting State which the interest arises, through a permanent establishment situated therein, or performs or has performed independent personal services in that other State independent personal services from a fixed base, as well as the claim for which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14.

7. 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, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid, and such interest is borne by such permanent establishment or fixed arrangement, interest shall be deemed to

arise in the State in which the permanent establishment or fixed base is situated.

8. Where by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, with respect to the claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner 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 person 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 and according to the laws of that State, but if the recipient of the royalties, the tax so charged shall not exceed 10 percent of gross royalties. Notwithstanding the preceding sentence is the royalties exempt from tax in the Contracting State in which it arises if the royalties relate to the payment relates to patents concerning industrial expertise and knowledge of manufacturing processes as well as royalties attributable to agriculture, pharmaceuticals, computers, computer software, and construction, secret formula or process, or for information concerning industrial, kommiersiell or scientific experience.

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

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

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, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, is considered to

arise in the State in which the permanent establishment or fixed base is situated.

6. Where by reason of a special relationship between the payer and the beneficial owner of the royalties, or between both of them and some other person, with respect to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner of the royalties, if such relationship existed, the provisions of this Article shall apply only to the last mentioned amount. In such case, the excess amount under the laws of each Contracting State, due to the other provisions of this Agreement.

7. The provisions of this Article shall not apply if the main purpose or one of the main purposes of any person involved in the creation or the determination of the rights for which the royalties are paid was to achieve the benefits of this Article by means of that creation or controlling.

Article 13

Capital gains

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 and situated in the other Contracting State or a gain on the transfer of shares in a company or partnership whose assets consist principally of such property may be taxed in that other State.

2nd 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 for the purpose of performing independent personal services, with resident of a Contracting State has in the other Contracting State may be taxed in that other State. The same applies to profits from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base.

3 Gains derived by a resident of a Contracting State from the alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or aircraft, beksattas only in that State.

Respect to gains derived by the air transport consortium of companies from different countries, the provisions of this paragraph in respect only of that part of the profits as corresponds to the participation held in that consortium of companies resident in a Contracting State.

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

5th Notwithstanding the provisions of paragraph 4, gains, as the natural person who has been domiciled in a Contracting State and received a resident of the other Contracting State from the alienation of transfer of property taxed in the first-mentioned State if the alienation of property occurs when something time during the

five years after the date on which the individual ceased to be a resident of the first-mentioned State.

Article 14

Independent personal

1. Income derived by an individual resident of a Contracting State from the performance of professional services or other independent activities shall be taxable only in that State unless he in the other Contracting State has a fixed base regularly available to him in order to pursue the activity. If he has such a fixed base, the income may be taxed in the other State but only so much of them as is attributable to that fixed base.

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

Article 15

Individual business

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

2nd 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, only in the first-mentioned State if:

a) the recipient is present in the other State for a period or periods exceeding in the aggregate 183 days in any twelve month period; and

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

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

third Notwithstanding the preceding provisions of this Article, remuneration for employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Contracting State may be taxed in that State. Where a resident of a Contracting State in respect of an employment exercised aboard an aircraft operated in international traffic by an aviation consortium of companies from different countries, including a company resident in that State shall be taxable such compensation only in that State.

Article 16

Directors' fees

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

Article 17

Artistes and Athletes

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

2nd Where income in respect of personal activities exercised by an entertainer or an athlete in his capacity as such accrues not to the entertainer or athlete himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting State in which the artist or athlete are exercised.

Article 18

Pensions, annuities and similar payments

1. Subject to the provisions of Article 19, paragraph 2, salaries pensions and other similar remuneration paid under the social security legislation and annuities arising in a Contracting State and paid to a resident of that other Contracting State may be taxed in the first-mentioned State.

2nd The term "annuity" means a stated sum payable periodically at stated times during life or during a specified or ascertainable period of time based on the basic obligation to make the payments in return for adequate and full consideration in money or pennigars value.

Article 19

Government service

1. a) Remuneration (other than a pension) paid by a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to that State or political subdivision or local authority 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 other State and the individual is a resident of that State who:

1) is a citizen of this State, or

2) is not a resident of that State solely for the uöra work.

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

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

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

Article 20

Students

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

2nd As regards grants, scholarships, or income from any employment not covered by the provisions of paragraph 1, a student or business apprentice referred to in paragraph 1 shall be eligible to receive the same exemptions, reliefs and benefits of the taxation applicable to residents of the State he visits, This paragraph applies only if the student or trainee staying more than six months in this state.

Article 21

Other income

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

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

Article 22

Elimination of double taxation

1. Regarding Ukraine, double taxation shall be avoided as follows:

Regarding transitional provisions of Ukrainian legislation on tax exemption for paid is outside the territory of Ukraine, (which do not stand in opposition to the main principles of this paragraph) shall Swedish tax paid under Swedish law and by the provisions of this Agreement, regardless of whether this done directly or by deduction, on profits, income or property derived from Sweden, deducted from Ukrainian tax calculated on such profits, income or property.

2nd Regarding Sweden, double taxation shall be avoided as follows:

a) Where a resident of Sweden derives income which, according to Ukrainian legislation, and in accordance with the provisions of this Agreement may be taxed in Ukraine, the Sweden - having regard to the provisions of Swedish legislation concerning credit for foreign tax (as the version they may hereafter get through to change without changing the general principle hereof) - from the Swedish tax on such income, an amount equal to the Ukrainian tax paid on the income.

b) Where a resident of Sweden derives income which, under the provisions of this Agreement shall be taxable only in Ukraine, Sweden may - in the determination of Swedish progressive tax - for the determination of this rate, and only for that purpose, consider the income as shall be taxable only in Ukraine.

c) Notwithstanding the provisions of paragraph a is dividends from a company resident in Ukraine to companies resident in Sweden exempt from Swedish tax to the extent that the dividends would have been exempt under Swedish law if both companies had been Swedish. This exemption shall not apply unless

1) the profits out of which dividends are paid undergone the standard corporation tax in Ukraine, or an income tax comparable thereto, or

2) the dividends paid by a company resident in Ukraine exclusively or almost exclusively composed of dividends by that company during the year or in previous years received on shares held in a company resident in a third State, the dividends would have been exempt from tax in Sweden on the shares in respect of which the dividends are paid were held directly by the company resident in Sweden.

d) For the purposes of paragraphs 2 a and c of this Article, the terms "the Ukrainian tax paid" and "the standard corporation tax in Ukraine, or an income tax comparable thereby" include Ukrainian income tax that would have been paid, but who, because of temporary regulations in Ukrainian legislation intended to promote economic development has not been paid or paid in lower amounts.

e) The provisions of paragraph 2 is valid only in the case of the first five years from the date this Agreement enters into force. The competent authorities shall consult each other to determine whether these rules will apply after this period.

third Notwithstanding the other provisions of this Agreement shall, except where the application is made by the method of avoiding double taxation normally followed by the State of residence, paragraph 2 d this article and other provisions of this

Agreement which an exemption from or reduction of taxes not apply to income that a company resident in a Contracting State and to the dividends paid by the company such as

a) the company derives its income mainly from other states

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

2) by being ordination center or a similar device that provides administrative and other services to a group of companies that conduct business primarily in other states, and

b) such income beskattaas significantly Switches under their laws than the income of similar activities undertaken in this state or income from operations huvudkontro ordination center or a similar entity providing administrative or Anra services to a group of companies engaged in business in this State.

Article 23

Prohibition of discrimination

1. Nationals of a Contracting State which is not in the other Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected. Notwithstanding the provisions of Article 1 shall apply this provision also apply to persons who are not domiciled in a Contracting State or of both Contracting States.

2nd Stateless persons who are residents of a Contracting State shall not in either 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 the State concerned in the same circumstances are or may become subject.

third Taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall, in that other State may not be less favorable than the taxation levied on enterprises of that other State carrying on the same activities.

4th Except where the provisions of Article 9, paragraph 1, Article 11, paragraph 8 of Article 12, paragraph 6 apply, interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall be deductible in determining the taxable profits of such companies on the same basis as paid to a resident of the first-mentioned State. Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State deductible in determining the taxable capital of such an undertaking on the same terms as contracted to a resident of the first-mentioned State.

5th Enterprises of a Contracting State, the capital wholly or partly owned or controlled, directly or indirectly, by one or more residents of the first-mentioned 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 the first-mentioned State are or may be subjected.

6. The provisions of this Article shall apply to the taxes covered by this Agreement.

7. The provisions of this Agreement shall not be construed to exist as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for tax purposes which it grants to a resident in their State under regulations other than regulations in general tax laws or because of marital status or family obligations.

Article 24

Mutual Agreement Procedure

1. If a person believes that a Contracting State or both Contracting States adopted measures which for him involves or will result in taxation contrary to the provisions of this Convention, he may, without prejudice to his right to use the remedies which of those States internal legal order, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under Article 23 paragraph 1, of the Contracting State of which he is a national. The case must be presented within three years from the time the person first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.

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

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

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

Article 25

Exchange of Information

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Agreement or of the Contracting States' domestic law, in particular to prevent tax evasion and to facilitate the application of legal rules to prevent tax evasion with respect to taxes covered of the Agreement, insofar as the taxation thereunder is not contrary to this

Agreement. Information received by a Contracting State shall be treated as secret and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment, collection or collection or prosecution or appeal in relation to, the taxes covered by the Agreement. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

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

- a) to carry out administrative measures at variance with the laws and administrative practice of that Contracting State or of the other Contracting State,
- b) to supply information which is not obtainable under the laws or in the normal administrative practice of that Contracting State or of the other Contracting State,
- c) leave 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 normal practice.

Article 26

Diplomatic agents and consular officers

The provisions of this Agreement shall affect the fiscal privileges which, under international law or under the provisions of special agreements diplomatic agents or consular officers.

Article 27

Entry into force

The Contracting States shall diplomatically notify the other of the measures according to their law required that this Agreement shall enter into force have been taken. This Agreement shall enter into force on the date of the later of these notifications and shall thereupon have effect

a) in Sweden:

on Income, which acquired at January 1 of the year following the year in which the Agreement enters into force;

b) in Ukraine:

a) in respect of taxes on dividends, interest or royalty payments on the sixtieth day after the day on which the Agreement enters into force;

2) with respect to taxes on profits (income) from businesses for tax years beginning January 1 of the calendar year next following that in which the Agreement enters into force;

3) in respect of income tax for citizens of Ukraine, foreign citizens and stateless persons for payments on the sixtieth day after the day on which the Agreement enters into force.

Article 28

Cessation

This Agreement shall remain in force until terminated by a Contracting State. Either Contracting State may terminate the Convention, will terminate the contract by giving notice of termination at least six months before the end of each calendar year beginning after the expiration of those years from the date the Agreement enters into force in such event this Agreement shall cease to have effect

a) in Sweden:

respect of income derived on or after 1 January in the calendar year next following the year in which the notice of termination is given;

b) in Ukraine:

1) with respect to taxes on dividends, interest or roylaty for payments on the sixtieth day after the day on which the notice is given;

2) betäffande tax on profits (income) from businesses for tax years beginning January 1 of the calendar year next following that in which the notice is given;

3) in respect of income tax for citizens of Ukraine, foreign citizens and stateless persons for payments on the sixtieth day after the day on which the notice is given.

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

DONE at Kiev on 14 August 1995 in three copies in English, Ukrainian and Swedish languages. In case of divergence, the English text shall credentials.

For Sweden

Pierre Schori

For Ukraine

MI Syvulskij

MINUTES

At the signing of the Agreement between Sweden and Ukraine in order to avoid double taxation and prevent fiscal evasion with respect to taxes on income, the undersigned have agreed that the following provisions shall form an integral part thereof.

I. On Article 2

Social security contributions are not covered by this Agreement, even if they are part of a company's overall calculation of salaries and benefits.

II. Re Article 11

Interest received from or on loans guaranteed by the Swedish government authority "Swede Corp." shall be exempt from tax in Ukraine.

III .. Re Article 13

The second sentence of paragraph 3 of Article 13 deals with capital gains from the disposal of property belonging to a consortium. If a partner in a consortium obtains a capital gain from the disposition of property belonging to that shareholder, the other provisions of Article 13 (including the first sentence of paragraph 3) shall apply.

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

DONE at Kiev on 14 August 1995 in three copies in English, Ukrainian and Swedish languages. In the event portrayed antitrust or competition, the English text shall prevail.

For Sweden

Pierre Schori

For Ukraine

MI Syvulskij