STATUTORY INSTRUMENTS

2015 No. 1891

CAPITAL GAINS TAX
CORPORATION TAX
INCOME TAX

The Double Taxation Relief and International Tax Enforcement (Sweden) Order 2015

Made - - - - 11th November 2015

At the Court at Buckingham Palace, the 11th day of November 2015

Present,

The Queen's Most Excellent Majesty in Council

A draft of this Order was laid before the House of Commons in accordance with section 5(2) of the Taxation (International and Other Provisions) Act 2010(**1**) and section 173(7) of the Finance Act 2006(**2**) and approved by a resolution of that House.

Accordingly, Her Majesty, in exercising the powers conferred upon Her by section 2 of the Taxation (International and Other Provisions) Act 2010 and section 173(1) to (3) of the Finance Act 2006, by and with the advice of Her Privy Council, orders as follows—

Citation

1. This Order may be cited as the Double Taxation Relief and International Tax Enforcement (Sweden) Order 2015.

Double taxation and international tax enforcement arrangements to have effect

2. It is declared that—

(a) the arrangements specified in the Convention set out in the Schedule to this Order have been made with the Government of the Kingdom of Sweden;

(b) the arrangements have been made with a view to affording relief from double taxation in relation to capital gains tax, corporation tax and income tax and taxes of a similar

(**1**) 2010 c. 8.
(**2**) 2006 c. 25.

character imposed by the laws of the Kingdom of Sweden and for the purposes of assisting international tax enforcement; and

(c) it is expedient that those arrangements should have effect.

Richard Tilbrook
Clerk of the Privy Council

SCHEDULE Article 2

CONVENTION BETWEEN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE KINGDOM OF SWED FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENT OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL GAINS

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Kingdom of Sweden;

Desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital gains;

Have agreed as follows:

ARTICLE 1

Persons Covered

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

2. For the purposes of this Convention, income, profit or gain derived by or through an entity or arrangement that is treated as wholly or partly fiscally transparent under the tax law either Contracting State shall be considered to be income, profit or gain of a resident of a Contracting State but only to the extent that the income, profit or gain is treated, for purposes taxation by that State, as the income, profit or gain of a resident of that State. In no case shall provisions of this paragraph be construed so as to restrict in any way a Contracting State's rig tax the income, profit or gain of the residents of that State.

ARTICLE 2

Taxes Covered

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

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

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

a) in Sweden:

(iv) the income tax on non-resident artistes and athletes (den särskilda inkomstskatten för utomlands bosatta artister m.fl.); and

(v) the municipal income tax (den kommunala inkomstskatten);

(hereinafter referred to as "Swedish tax");

b) in the United Kingdom:

(i) the income tax;

(ii) the corporation tax; and

(iii) the capital gains tax;

(hereinafter referred to as "United Kingdom tax").

4. The Convention shall apply also to any identical or substantially similar taxes that ar imposed after the date of signature of the Convention in addition to, or in place of, the taxes referred to in paragraph 3. The competent authorities of the Contracting States shall notify ea other of any significant changes that have been made in their taxation laws.

ARTICLE 3

General Definitions

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

a) the term "Sweden" means the Kingdom of Sweden and, when used in a geographical sense, includes the national territory, the territorial sea of Sweden as well as other maritime areas over which Sweden in accordance with international law exercises sovereign rights or jurisdiction;

b) the term "United Kingdom" means Great Britain and Northern Ireland but, when use geographical sense, means the territory and territorial sea of Great Britain and North Ireland and the areas beyond that territorial sea over which Great Britain and Norther Ireland exercise sovereign rights or jurisdiction in accordance with their domestic law international law;

c) the terms "a Contracting State" and "the other Contracting State" mean Sweden or th United Kingdom, 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 that is treated as a body corporate for tax purposes;

f) the term "enterprise" applies to the carrying on of any business;

i) the term "competent authority" means:

(i) in Sweden, the Minister of Finance, his authorised representative or the authority which is designated as a competent authority for the purposes this Convention;

(ii) in the United Kingdom, the Commissioners for Her Majesty's Revenue Customs or their authorised representative;

j) the term "national" means:

(i) in relation to Sweden, any individual possessing the nationality of Swed and any legal person, partnership or association deriving its status as suc from the laws in force in Sweden;

(ii) in relation to the United Kingdom, any British citizen, or any British sub not possessing the citizenship of any other Commonwealth country or territory, provided he has the right of abode in the United Kingdom; and legal person, partnership or association deriving its status as such from t laws in force in the United Kingdom;

k) the term "business" includes the performance of professional services and of other activities of an independent character.

2. As regards the application of the Convention at any time by a Contracting State, any not defined therein shall, unless the context otherwise requires, have the meaning that it has a time under the law of that State for the purposes of the taxes to which the Convention applies meaning under the applicable tax laws of that State prevailing over a meaning given to the ter under other laws of that State.

ARTICLE 4

Resident

1. For the purposes of this Convention, the term "resident of a Contracting State" mean person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation or any other criterion of a similar natu and also includes that State and any governmental body or agency, political subdivision or loc authority thereof. This term, however, does not include any person who is liable to tax in that in respect only of income or capital gains from sources 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 only of the State in which he has a permanent hor available to him; if he has a permanent home available to him in both States, he shall deemed to be a resident only of the State with which his personal and economic relat are closer (centre of vital interests);