

**Income Tax (Singapore — Sweden) (Avoidance of Double Taxation Convention)  
Order 1969**

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(AVOIDANCE OF DOUBLE TAXATION CONVENTION)  
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WHEREAS it is provided by section 49 of the Income Tax Ordinance that if the Minister by order declares that arrangements specified in the order have been made with the Government of any country outside Singapore with a view to affording relief from double taxation in relation to tax under the Ordinance and any tax of a similar character imposed by the laws of that country, and that it is expedient that those arrangements should have effect, the arrangements shall have effect in relation to tax under the Ordinance notwithstanding anything in any written law:

AND WHEREAS by a Convention dated the seventeenth day of June 1968, between the Government of the Republic of Singapore and the Government of the Kingdom of

Sweden, arrangements were made amongst other things for the avoidance of Double Taxation:

NOW, THEREFORE, it is hereby declared by the Minister for Finance —

- (a) that the arrangements specified in the Schedule to this Order have been made with the Government of Sweden; and
- (b) that it is expedient that those arrangements should have effect notwithstanding anything in any written law.

## THE SCHEDULE

### CONVENTION BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE AND THE GOVERNMENT OF THE KINGDOM OF SWEDEN FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL

The Government of the Republic of Singapore 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 Capital,

Have agreed as follows:

#### ARTICLE I

1. The taxes which are the subject of this Convention are —

(a) in the Republic of Singapore:

the income tax (hereinafter referred to as “Singapore tax”); and

(b) in Sweden:

- (i) the State income tax, including sailors tax and coupon tax;
- (ii) the tax on the undistributed profits of companies and the tax on distribution in connection with reduction of share-capital or the winding-up of a company;
- (iii) the tax on public entertainers;
- (iv) the communal income tax; and
- (v) the State capital tax

(hereinafter referred to as “Swedish tax”).

2. This Convention shall also apply to any other taxes of a substantially similar character imposed in the Republic of Singapore or in Sweden subsequently to the date of signature of this Convention.

## ARTICLE II

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

- (a) the term “Singapore” means the Republic of Singapore;
- (b) the term “Sweden” means the Kingdom of Sweden;
- (c) the terms “one of the Contracting States” and “the other Contracting State” mean Singapore or Sweden, as the context requires;
- (d) the term “tax” means Singapore tax or Swedish tax, as the context requires;
- (e) the term “company” means any body corporate or any entity which is treated as a body corporate for tax purposes;
- (f) the term “person” includes any body of persons, corporate or not corporate;
- (g)
  - (i) the term “resident of Singapore” means any person who is resident in Singapore for the purposes of Singapore tax; and the term “resident of Sweden” means any person who is resident in Sweden for the purposes of Swedish tax;
  - (ii) where by reason of the provisions of sub-paragraph (i) above an individual is a resident of both Contracting States, then his residence shall be determined in accordance with the following rules —
    - (aa) 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;
    - (bb) if the Contracting State with which his personal and economic relations are closest, 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;
    - (cc) if he has an habitual abode in both Contracting States or in neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement;
  - (iii) where by reason of the provisions of sub-paragraph (i) above 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 it is managed and controlled;

- (h) the terms “resident of one of the Contracting States” and “resident of the other Contracting State” mean a resident of Singapore or a resident of Sweden, as the context requires;
- (i) the terms “Singapore enterprise” and “Swedish enterprise” mean, respectively, an industrial, mining, commercial, timber, plantation or agricultural enterprise or undertaking carried on by a resident of Singapore and an industrial, mining, commercial, timber, plantation or agricultural enterprise or undertaking carried on by a resident of Sweden;
- (j) the terms “enterprise of one of the Contracting States” and “enterprise of the other Contracting State” mean a Singapore enterprise or a Swedish enterprise, as the context requires;
- (k) the terms “profits of a Singapore enterprise” and “profits of a Swedish enterprise” do not include rents or royalties in respect of motion picture films or of tapes for television or broadcasting or of mines, oil wells, quarries or other places of extraction of natural resources, or income in the form of dividends, interest, rents, royalties, or capital gains, or fees or other remuneration derived from the management, control or supervision of the trade, business or other activity of another enterprise or concern, or remuneration for labour or personal services, or profits derived from the operation of ships or aircraft;
- (l)
  - (i) subject to the provisions of this sub-paragraph, the term “permanent establishment” means a fixed place of business in which the business of the enterprise is wholly or partly carried on;
  - (ii) a permanent establishment shall include especially —
    - (aa) a place of management;
    - (bb) a branch;
    - (cc) an office;
    - (dd) a factory;
    - (ee) a workshop;
    - (ff) a farm or plantation;
    - (gg) a mine, oil well, quarry or place of extraction of other natural resources or of cutting of timber;
    - (hh) a building site or construction or assembly project which exists for more than six months;
  - (iii) the term “permanent establishment” shall not be deemed to include —
    - (aa) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
    - (bb) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
    - (cc) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
    - (dd) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or for collecting information, for the enterprise;
    - (ee) 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;

- (iv) an enterprise of one of the Contracting States shall be deemed to have a permanent establishment in the other Contracting State if it carries on supervisory activities in that other Contracting State for more than six months in connection with a construction, installation or assembly project which is being undertaken in that other Contracting State;
- (v) a person acting in one of the Contracting States on behalf of an enterprise of the other Contracting State (other than an agent of independent status to whom sub-paragraph (I)(vi) applies) shall be deemed to be a permanent establishment in the former Contracting State if —
  - (aa) he has, and habitually exercises in that former Contracting 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; or
  - (bb) he maintains in that former Contracting State a stock of goods or merchandise belonging to the enterprise from which he regularly fills orders on behalf of the enterprise;
- (vi) an enterprise of one of the Contracting States shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other Contracting State through a broker, general commission agent or any other agent of independent status, where such persons are acting in the ordinary course of their business;
- (vii) the fact that a company which is a resident of one of the Contracting States controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other Contracting State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other;

(m) the term “competent authority” means, in the case of Singapore, the Minister for Finance or his authorised representative; and in the case of Sweden, the Minister of Finance or his authorised representative.

2. In the application of the provisions of this Convention by one of the Contracting States, 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 this Convention.

### ARTICLE III

1.—(a) The profits of a Singapore enterprise shall be taxable only in Singapore unless the enterprise carries on business in Sweden through a permanent establishment situated in Sweden. If the enterprise carries on business as aforesaid, tax may be imposed in Sweden on the profits of the enterprise but only on so much of them as is directly or indirectly attributable to that permanent establishment.