

PROTOCOL AMENDING THE AGREEMENT BETWEEN THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA 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 SIGNED AT STOCKHOLM ON 16 MAY 1986 AS AMENDED BY AN ADDITIONAL PROTOCOL SIGNED AT STOCKHOLM ON 18 NOVEMBER 1999

The Government of the People's Republic of China and the Government of the Kingdom of Sweden,

Desiring to conclude a Protocol to amend the Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income signed at Stockholm on 16 May 1986 as amended by an Additional Protocol signed at Stockholm on 18 November 1999 (hereinafter referred to as "the Agreement"),

Have agreed as follows:

Article 1

In the Protocol to the Agreement, the following new provision shall be inserted immediately after the reference to Article 15:

“With respect to revenue from international traffic

1. Notwithstanding provisions of Article 2 of the Agreement, revenue derived from a Contracting State by an enterprise of the other Contracting State from the operation of ships or aircraft in international traffic shall be exempt from any tax in the first-mentioned State.
2. Notwithstanding paragraph 1, Sweden is not obligated to grant any exemptions from value added tax that is contrary to EU law.
3. Any limitations regarding exemption from value added tax that follows from paragraph 2 may be applied on a reciprocal basis by China.
4. The competent authorities of the Contracting States may by mutual agreement settle the mode of application of these exemptions.”

Article 2

1. Each of the Contracting States shall notify the other through diplomatic channels of the completion of the procedures required by its law for the entry into force of this Protocol.
2. This Protocol shall enter into force on the thirtieth day after the receipt of the later of the notifications referred to in paragraph 1 and shall have effect in respect of revenue derived on or after 1 June 2016, the date on which the two Contracting States originally intended to sign this Protocol.

IN WITNESS whereof the undersigned, being duly authorised thereto, have signed this Protocol.

Done at Stockholm on the fifth day of June, 2017, in duplicate in the Chinese, Swedish and English languages, all texts being equally authentic. In case of any divergence, the English text shall prevail.

For the Government of
the People's Republic of China

WANG Jun

For the Government of
the Kingdom of Sweden

Andersson