

**PROTOCOL AMENDING THE CONVENTION BETWEEN
SWEDEN AND BARBADOS FOR THE AVOIDANCE OF
DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME**

The Government of Sweden and the Government of Barbados, desiring to amend the Convention between Sweden and Barbados for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at London on 1 July 1991 (in this Protocol referred to as "the Convention"),

HAVE AGREED as follows:

Article I

1. Paragraph (2) of Article 24 (Limitation of benefits) of the Convention shall be deleted and replaced by the following:

“(2) Notwithstanding any other provisions of this Convention, where

(a) a company that is a resident of a Contracting State derives its income primarily from other States

(i) from activities such as banking, shipping, financing, fund management or insurance, or

(ii) from being the headquarters, co-ordination centre or similar entity providing administrative services or other support to a group of companies which carry on business primarily in other States; and

(b) such income would bear a significantly lower tax under the laws of that State than income from similar activities carried out within that State or from being the headquarters, co-ordination centre or similar entity providing administrative services or other support to a group of companies which carry on business in that State, as the case may be,

any provisions of this Convention conferring an exemption or a reduction of tax shall not apply to the income of such company and to the dividends paid by such company.

(3) Any provision of this Convention conferring an exemption or reduction of tax shall not apply to the income of, or to the dividends paid by, a company resident in a Contracting State that is entitled to special tax benefits under:

(a) the Exempt Insurance Act, Cap. 308A;

(b) the International Financial Services Act, Cap. 325;

(c) the International Business Companies Act, Cap. 77;

(d) the Societies with Restricted Liability Act, Cap. 318B, or
(e) any law substantially similar to the laws mentioned in (a)-(d) enacted in Barbados.”

2. Paragraphs (3) and (4) of Article 24 (Limitation of benefits) shall be renumbered paragraphs (4) and (5).

Article II

Article 27 (Exchange of information) of the Convention shall be deleted and replaced by the following:

”Article 27 Exchange of information

(1) The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Convention or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Convention. The exchange of information is not restricted by Articles 1 and 2.

(2) Any information received under paragraph (1) by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to the taxes referred to in paragraph (1), or the oversight of the above. 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.

(3) In no case shall the provisions of paragraphs (1) and (2) be construed so as to impose on a Contracting State the obligation:

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

(b) to supply information which is 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 (ordre public).

(4) If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph (3) but in no case shall such limitations be construed to permit a Contracting State to decline to supply information solely because it has no domestic interest in such information.

(5) In no case shall the provisions of paragraph (3) be construed to permit a Contracting State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.”

Article III

1. Each of the Contracting States shall notify the other in writing of the completion of the procedures required by its law for the bringing into force of this Protocol.

2. The 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 thereupon have effect

a) in respect of taxes withheld at source, for amounts paid or credited on or after the first day of January of the year next following the date on which the Protocol enters into force;

b) in respect of other taxes on income, on taxes chargeable for any tax year beginning on or after the first day of January of the year next following the date on which the Protocol enters into force;

c) in respect of Article 27 (Exchange of information), for requests made on or after the date of entry into force of this Protocol.

3. This Protocol shall remain in force for as long as the Convention remains in force.

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

DONE at _____, this ____ day of _____ 20__, in duplicate in the English language.

For the Government of Sweden

For the Government of Barbados
