

PROTOCOL

AMENDING THE CONVENTION BETWEEN

THE GOVERNMENT OF THE KINGDOM OF SWEDEN

AND

THE GOVERNMENT OF THE REPUBLIC OF CYPRUS

FOR THE AVOIDANCE OF DOUBLE TAXATION

WITH RESPECT TO TAXES ON INCOME

The Government of the Kingdom of Sweden and the Government of the Republic of Cyprus,

Desiring to conclude a Protocol to amend the Convention between the Government of the Kingdom of Sweden and the Government of the Republic of Cyprus for the avoidance of double taxation with respect to taxes on income signed at London on 25 October 1988 (hereinafter referred to as “the Convention”),

Have agreed as follows:

Article I

The preamble to the Convention shall be deleted and replaced by the following:

“The Government of the Kingdom of Sweden and the Government of the Republic of Cyprus,

Desiring to conclude a Convention for the avoidance of double taxation with respect to taxes on income,

Intending to eliminate double taxation with respect to the taxes on income covered by this Convention without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in this Convention for the indirect benefit of residents of third States),

Have agreed as follows:”

Article II

Paragraph (1) of Article 23 (Mutual agreement procedure) of the Convention shall be deleted and replaced by the following:

“(1) Where a person considers that the actions of one or both of the Contracting States result or will result for that person in taxation not in

accordance with the provisions of this Convention, that person may, irrespective of the remedies provided by the domestic law of those Contracting States, present the case to the competent authority of either Contracting State. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Convention.”

Article III

Article 24 (Exchange of information) of the Convention shall be deleted and replaced by the following:

“Article 24

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. Notwithstanding the foregoing, information received by a Contracting State may be used for other purposes when such information may be used for such other purposes under the laws of both States and the competent authority of the supplying State authorises such use.

(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 IV

The following new Article shall be inserted immediately after Article 25 (Diplomatic agents and consular officers) of the Convention:

“Article 25A

Principal purpose test

Notwithstanding the other provisions of this Convention, a benefit under this Convention shall not be granted in respect of an item of income if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of this Convention.”

Article V

1. Each of the Contracting States shall notify the other in writing, through diplomatic channels, of the completion of the procedures required by its law for the entry into force of this Protocol.
2. The Protocol shall enter into force on the thirtieth day after the receipt of the later of these notifications 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.
3. This Protocol shall cease to have effect at such time as the Convention ceases to have effect in accordance with Article 27 of the Convention.

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

Done at this day of2026, in duplicate in the English language.

For the Kingdom of Sweden

For the Republic of Cyprus