

Russia's approval of the Draft Protocol on Introducing Amendments to the Convention Between the Governments of Russia and Sweden for the Avoidance of Double Taxation With Respect to Taxes on Income

The Protocol expands the scope of the Convention's effect through applying it to the taxes on property and capital. The amendments aim to create favourable conditions for stimulating mutual investment and an improved taxation regime for organisations engaged in Russian-Swedish relations.

Reference

Submitted by the Ministry of Finance. The directive signed by the Russian side approves the Draft Protocol on Introducing Amendments in the Convention Between the Governments of Russia and Sweden for the Avoidance of Double Taxation With Respect to Taxes on Income (hereinafter referred to as the Protocol and Convention, respectively).

The Convention was signed in Stockholm on 15 June 1993. The Protocol expands the Convention's sphere of application to taxes on property and capital. It sets the rule for defining a resident for non-individual entities recognised as entities with permanent residence in both countries, through conciliation procedures conducted by the competent authorities of both countries.

It also introduces amendments to the Convention's provisions that regulate how competent authorities of both countries conduct conciliation procedures on the issue of affording taxpayers the opportunity to go through the relevant authorities of either state to initiate such procedures.

The Protocol's provisions reflect the recommendations of the Plan to Prevent Base Erosion and Profit Shifting (BEPS Plan).

The Protocol aims to create favourable conditions for stimulating mutual investments and creating an improved taxation regime for organisations engaged in Russian-Swedish relations.

In accordance with the federal law On International Treaties of the Russian Federation, upon signing the protocol is subject to ratification as it contains rules that differ from those provided by Russian law.