

## **PROTOCOL**

At the moment of signing 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, the undersigned have agreed that the following provisions shall form an intergral part of the Agreement.

### **To Articles 8 and 13**

1. The provisions of Article 9 of the Agreement on Maritime Transport between the Government of the People's Republic of China and the Government of Sweden signed at Beijing on the 18th of January 1975 shall not be affected by the Agreement.

2. When applying the Agreement the air transport consortium Scandinavian Airlines System (SAS) shall be regarded as having its head office in Sweden but the provisions of paragraph 1 of Article 8 and paragraph 3 of Article 13 shall apply only to that part of its profits as corresponds to the participation held in that consortium by AB Aerotransport (ABA), the Swedish partner of Scandinavian Airlines System (SAS) .

### **To Article 12**

For purposes of paragraph 3 of Article 12 it is understood that, in the case of payments received as a consideration for the use of or the right to use industrial, commercial or scientific equipment, the tax shall be imposed on 70 per cent of the gross amount of such payments.

### **To Article 15**

It is understood that where a resident of Sweden derives remuneration in respect of an employment exercised aboard an aircraft operated in international traffic by the air transport consortium Scandinavian Airlines System (SAS) such remuneration shall be taxable only in Sweden.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed this Protocol.

DONE at Stockholm, this 16th day of May, 1986, in duplicate in the Chinese, Swedish and English languages, all texts being equally authentic. In the case of doubt, however, the English text shall prevail.

**On behalf of  
the Government of the People's  
Republic of China**

**On behalf of  
the Government of the Kingdom  
of Sweden**