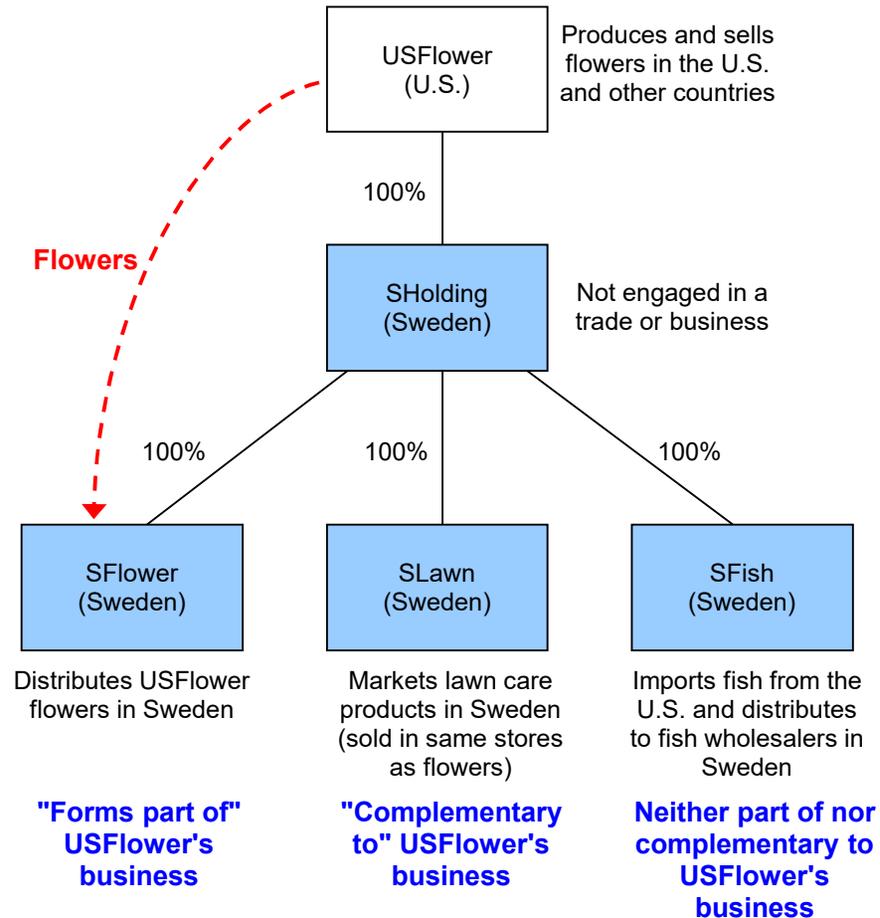


**Sweden Protocol (2005)
Treasury Tech. Explan.,
Article 17, Paragraph 4,
Example 5**

**Flower (Part of),
Lawn (Complem. to),
& Fish (Neither)**

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USFlower is a company resident in the United States. USFlower produces and sells flowers in the United States and other countries. USFlower owns all the shares of SHolding, a corporation resident in Sweden. SHolding is a holding company that is not engaged in a trade or business. SHolding owns all the shares of three corporations that are resident in Sweden: SFlower, SLawn, and SFish. SFlower distributes USFlower flowers under the USFlower trademark in Sweden. SLawn markets a line of lawn care products in Sweden under the USFlower trademark. In addition to being sold under the same trademark, SLawn and SFlower products are sold in the same stores and sales of each company's products tend to generate increased sales of the other's products. SFish imports fish from the United States and distributes it to fish wholesalers in Sweden. For purposes of paragraph 4, the business of SFlower forms a part of the business of USFlower, the business of SLawn is complementary to the business of USFlower, and the business of SFish is neither part of nor complementary to that of USFlower.



Limitation on benefits:
Active trade or business test ("derived in connection with")