**MLI Modifications: Kenya-Sweden**

*Editor’s Note: This summary is based on the MLI positions submitted to the Depositary upon the deposit of the ratification instruments by Kenya and Sweden, and does not constitute business, legal, tax, or other professional advice or services. It is intended only to provide a general guide*. *In applying the MLI provisions to this treaty, researchers should ensure they review other relevant MLI sources. Please see the Bloomberg Tax* [*MLI Watch*](https://www.bloomberglaw.com/product/tax/page/MLI_watch) *page for further research.*

**Date this Convention is Modified by the MLI (Enters into Force):** May 1, 2025

**MLI instrument of ratification deposited (Kenya):** January 8, 2025

**MLI instrument of ratification deposited (Sweden):** June 22, 2018

**MLI effective date, withholding taxes (Kenya and Sweden):** First day of the next calendar year that begins on or after 30 days after the date the Depositary has received notification that Sweden has completed its internal procedures for the entry into effect of the provisions of the MLI with respect to this Convention (MLI Art. 35(7)(a)).

**MLI effective date, all other taxes (Kenya):**Taxable periods beginning on or after the expiration of a period of six calendar months from 30 days after the date the Depositary has received notification that Sweden has completed its internal procedures for entry into effect of the MLI with respect to this Convention (MLI Art. 35(7)(a)).

**MLI effective date, all other taxes (Sweden):**Taxable periods beginning on or after 1 January of the next year beginning on or after the expiration of a period of six calendar months from 30 days after the date the Depositary has received notification that Sweden has completed its internal procedures for entry into effect of the MLI with respect to this Convention (MLI Art. 35(3) and MLI Art. 35(7)(a)).

**Purpose of a Covered Tax Agreement (MLI Article 6)**

According to MLI Art. 6(2), to meet the minimum standard, the text of MLI Art. 6(1), indicating the intent to eliminate double taxation without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance, including through treaty shopping arrangements, is added to the preamble of this Convention. The optional preamble language of MLI Art. 6(3) does not apply.

**Prevention of Treaty Abuse (MLI Article 7)**

According to MLI Art. 7(2), to meet the minimum standard, the Principal Purpose Test (PPT) provision of MLI Art. 7(1), that denies benefits that would otherwise be provided where the principal purpose or one of the principal purposes of any arrangement or transaction was to obtain those benefits, applies and supersedes the provisions of this Convention to the extent of incompatibility (i.e., the PPT provision is added to this Convention). The optional additional language of MLI Art. 7(4) does not apply. The Simplified Limitation on Benefits Provision (S-LOB) does not apply.

**Mutual Agreement Procedure (MLI Article 16)**

The first sentence of MLI Art. 16(1), providing that a person may present a case to the competent authority of either jurisdiction, does not apply as Kenya intends to meet the minimum standard through other measures.

The following provisions of this Convention related to dispute resolution are modified to meet the minimum standard:

•  The second sentence of MLI Art. 16(1), providing that a case be presented within three years from the first notification of action, applies and supersedes the provisions of this Convention to the extent of incompatibility (i.e., the second sentence of MLI Art. 16(1) is added to this Convention).

•  The first sentence of MLI Art. 16(2), providing that the competent authority will endeavor to resolve a case by mutual agreement with the competent authority of the other Jurisdiction, with a view to the avoidance of taxation not in accordance with the Convention, is added to this Convention.

•  The second sentence of MLI Art. 16(2), providing that any agreement be implemented notwithstanding any time limits in the domestic law of either Jurisdiction, is added to this Convention.

•  The first sentence of MLI Art. 16(3), providing that the competent authorities will endeavor to resolve any issues relating to the interpretation or application of this Convention, is added to this Convention.

The remaining provision of this Convention relating to dispute resolution is retained as it is considered consistent in content with the provision of MLI Art. 16(3)(second sentence), and meets the minimum standard.

According to MLI Art. 35(4), the mutual agreement procedure provisions of MLI Art. 16 have effect for cases presented to the competent authority on or after May 1, 2025, except for cases that were not eligible to be presented as of that date, without regard to the taxable period to which the case relates.

**Corresponding Adjustments (MLI Article 17)**

According to MLI Art. 17(2), the provision of MLI Art. 17(1), providing that a Jurisdiction will make a corresponding adjustment where the other Jurisdiction makes an adjustment that reflects the arm's length profit, applies and supersedes the provisions of this Convention to the extent of incompatibility (i.e., MLI Art. 17(1) is added to this Convention).